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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY: _____

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19 UNITED STATES DISTRICT COURT
20 FOR THE CENTRAL DISTRICT OF CALIFORNIA
21 LOS ANGELES DIVISION

22 MORTGAGE GRADER, INC.,
23 Plaintiff,
24 v.

25 ARCSTONE FINANCIAL, INC.; CLOSE
26 YOUR OWN LOAN; DLJ FINANCIAL,
27 INC.; GREENBACK FUNDING, INC.;
28 GREENLIGHT FINANCIAL SERVICES;
HANSBROS CORPORATION d/b/a HBS
FINANCE; HOME-ACCOUNT, INC.;
LOAN REPUBLIC FINANCIAL, INC.;
ONEWEST BANK HOME LENDING;
ONLINE MORTGAGE SOLUTIONS,
INC.; EMCEE, INC. d/b/a PACIFIC
CHOICE MORTGAGE;
PROFESSIONAL MORTGAGE GROUP,
INC. d/b/a PROMORTGAGE;
PROVIDENT FUNDING ASSOCIATES,
L.P.; READY PRICE, LLC; RESCOM
FINANCIAL SERVICES, INC.; and
WESTCAL MORTGAGE

CV11 02640 PSG (JCx)
Case No.

**COMPLAINT FOR PATENT
INFRINGEMENT**

Jury Trial Demanded

COMPLAINT FOR PATENT INFRINGEMENT

1 CORPORATION,

2 Defendants.

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1 **PLAINTIFF’S ORIGINAL COMPLAINT**

2 Plaintiff Mortgage Grader, Inc. (“Plaintiff”), by and through its undersigned
3 counsel, files this Original Complaint against Arcstone Financial, Inc.; Close Your
4 Own Loan; DLJ Financial, Inc.; Greenback Funding, Inc.; Greenlight Financial
5 Services; Hansbros Corporation d/b/a HBS Finance; Home-Account, Inc.; Loan
6 Republic Financial, Inc.; OneWest Bank Home Lending; Online Mortgage
7 Solutions, Inc.; Emcee, Inc. d/b/a Pacific Choice Mortgage; Professional Mortgage
8 Group, Inc. d/b/a ProMortgage; Provident Funding Associates, L.P.; Ready Price,
9 LLC; Rescom Financial Services, Inc.; and WestCal Mortgage Corporation
10 (collectively “Defendants”) as follows:

11 **NATURE OF THE ACTION**

12 1. This is a patent infringement action to stop Defendants’ infringement
13 of Plaintiff’s United States Patent No. 7,366,694 entitled “Credit/Financing
14 Process” (the “‘694 patent”; a copy of which is attached hereto as Exhibit A).
15 Plaintiff is the legal owner of the patent-in-suit. Plaintiff seeks injunctive relief and
16 monetary damages.

17 **PARTIES**

18 2. Plaintiff is a corporation organized and existing under the laws of the
19 State of Delaware. Plaintiff maintains a place of business at 27792 El Lazo Road,
20 Suite A, Laguna Niguel, California 92677. Plaintiff is the assignee of all rights,
21 title, and interest in and to the ‘694 patent including the right to sue for
22 infringement and recover past damages.

23 3. Upon information and belief, Arcstone Financial, Inc. (“Arcstone”) is
24 a corporation organized and existing under the laws of the State of California, with
25 its principal place of business located at 1917 Hillhurst Avenue, # 205, Los
26 Angeles, California 90027.

1 4. Upon information and belief, Close Your Own Loan (“Close Your
2 Own Loan”) is a limited liability company organized and existing under the laws of
3 the State of California, with its principal place of business located at 26400 La
4 Alameda, Suite 214, Mission Viejo, California 92691.

5 5. Upon information and belief, DLJ Financial, Inc. (“DLJ Financial”) is
6 a corporation organized and existing under the laws of the State of California, with
7 its principal place of business located at 20101 South West Birch Street, Suite 135,
8 Newport Beach, California 92660.

9 6. Upon information and belief, Greenback Funding, Inc. (“Greenback
10 Funding”) is a corporation organized and existing under the laws of the State of
11 California, with its principal place of business located at 2139 Tapo Street, # 115,
12 Simi Valley, California 93063.

13 7. Upon information and belief, Greenlight Financial Services
14 (“Greenlight Financial”) is a corporation organized and existing under the laws of
15 the State of California, with its principal place of business located at 18200 Von
16 Karman Avenue, Suite 300, Irvine, California 92612.

17 8. Upon information and belief, Hansbros Corporation d/b/a HBS
18 Finance (“HBS Finance”) is a corporation organized and existing under the laws of
19 the State of California, with its principal place of business located at 3812
20 Sepulveda Boulevard, Suite 310, Torrance, California 90505.

21 9. Upon information and belief, Home-Account, Inc. (“Home-Account”)
22 is owned by Bills.com, LLC, a limited liability company organized and existing
23 under the laws of the State of Delaware, with its principal place of business located
24 at 1875 South Grant Street, Suite 400, San Mateo, California 94402. Upon
25 information and belief, Home-Account’s principal place of business is located at
26 188 King Street, Suite 207, San Francisco, California 94107.

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1 10. Upon information and belief, Loan Republic Financial, Inc. (“Loan
2 Republic”) is a corporation organized and existing under the laws of the State of
3 Delaware, with its principal place of business located at 371 Village Square,
4 Orinda, California 94563.

5 11. Upon information and belief, OneWest Bank Home Lending
6 (“OneWest Bank”) is a division of OneWest Bank, FSB, a federal savings bank
7 organized and existing under the laws of the State of California, with its principal
8 place of business located at 888 East Walnut Street, Pasadena, California 91101.
9 Upon information and belief, OneWest Bank’s principal place of business is located
10 at 1 Banting, Irvine, California 92618.

11 12. Upon information and belief, Online Mortgage Solutions, Inc.
12 (“Online Mortgage”) is a corporation organized and existing under the laws of the
13 State of California, with its principal place of business located at 119 South
14 Figueroa Street, Ventura, California 93001.

15 13. Upon information and belief, Emcee, Inc. d/b/a Pacific Choice
16 Mortgage (“Pacific Choice”) is a corporation organized and existing under the laws
17 of the State of California, with its principal place of business located at 30021
18 Tomas, Suite 300, Rancho Santa Margarita, California 92688.

19 14. Upon information and belief, Professional Mortgage Group, Inc. d/b/a
20 ProMortgage (“ProMortgage”) is a corporation organized and existing under the
21 laws of the State of California, with its principal place of business located at 700
22 Irwin Street, Suite 202, San Rafael, California 94901.

23 15. Upon information and belief, Provident Funding Associates, L.P.
24 (“Provident Funding”) is a partnership organized and existing under the laws of the
25 State of California, with its principal place of business located at 1633 Bayshore
26 Highway, Suite 155, Burlingame, California 94010.

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1 16. Upon information and belief, Ready Price, LLC (“Ready Price”) is a
2 limited liability company organized and existing under the laws of the State of
3 California, with its principal place of business located at 5671 Santa Teresa
4 Boulevard, Suite 200, San Jose, California 95123.

5 17. Upon information and belief, Rescom Financial Services, Inc.
6 (“Rescom Financial”) is a corporation organized and existing under the laws of the
7 State of California, with its principal place of business located at 260 Newport
8 Center Drive, Newport Beach, California 92660.

9 18. Upon information and belief, WestCal Mortgage Corporation
10 (“WestCal”) is a corporation organized and existing under the laws of the State of
11 California, with its principal place of business located at 17772 17th Street, Suite
12 108, Tustin, California 92780.

13 **JURISDICTION AND VENUE**

14 19. This action arises under the Patent Laws of the United States, 35
15 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 271, 281, 283, 284, and 285. This Court
16 has subject matter jurisdiction over this case for patent infringement under 28
17 U.S.C. §§ 1331 and 1338(a).

18 20. The Court has personal jurisdiction over each Defendant because: each
19 Defendant has minimum contacts within the State of California and the Central
20 District of California; each Defendant has purposefully availed itself of the
21 privileges of conducting business in the State of California and the Central District
22 of California; each Defendant has sought protection and benefit from the laws of
23 the State of California; each Defendant regularly conducts business within the State
24 of California and the Central District of California; and Plaintiff’s causes of action
25 arise directly from Defendants’ business contacts and other activities in the State of
26 California and the Central District of California.

1 21. More specifically, each Defendant, directly and/or through
2 intermediaries, ships, distributes, offers for sale, sells, and/or advertises, at least
3 through and by its interactive website, its products and services in the United
4 States, the State of California and the Central District of California. Upon
5 information and belief, each Defendant has committed patent infringement in the
6 State of California and the Central District of California. Each Defendant solicits
7 customers in the State of California and the Central District of California. Each
8 Defendant has many customers who are residents of the State of California and the
9 Central District of California and who each use respective Defendant's products
10 and services in the State of California and the Central District of California.

11 22. Venue is proper in the Central District of California pursuant to 28
12 U.S.C. §§ 1391 and 1400(b).

13 **COUNT I – PATENT INFRINGEMENT**

14 23. The '694 patent was duly and legally issued by the United States
15 Patent and Trademark Office on April 29, 2008 after full and fair examination.
16 Plaintiff is the assignee of all rights, title, and interest in and to the '694 patent, and
17 possesses all rights of recovery under the '694 patent, including the right to sue for
18 infringement and recover past damages.

19 24. Upon information and belief, Arcstone has infringed and continues to
20 infringe one or more claims of the '694 patent by making, using, providing,
21 offering to sell, and selling (directly or through intermediaries), in this district and
22 elsewhere in the United States, an online mortgage marketplace, including via the
23 website www.arcstoneloans.com.

24 25. Upon information and belief, Close Your Own Loan has infringed and
25 continues to infringe one or more claims of the '694 patent by making, using,
26 providing, offering to sell, and selling (directly or through intermediaries), in this
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1 district and elsewhere in the United States, an online mortgage marketplace,
2 including via the website www.closeyourownloan.com.

3 26. Upon information and belief, DLJ Financial has infringed and
4 continues to infringe one or more claims of the '694 patent by making, using,
5 providing, offering to sell, and selling (directly or through intermediaries), in this
6 district and elsewhere in the United States, an online mortgage marketplace,
7 including via the website www.dljfinancial.com.

8 27. Upon information and belief, Greenback Funding has infringed and
9 continues to infringe one or more claims of the '694 patent by making, using,
10 providing, offering to sell, and selling (directly or through intermediaries), in this
11 district and elsewhere in the United States, an online mortgage marketplace,
12 including via the website www.greenbackfunding.com.

13 28. Upon information and belief, Greenlight Financial has infringed and
14 continues to infringe one or more claims of the '694 patent by making, using,
15 providing, offering to sell, and selling (directly or through intermediaries), in this
16 district and elsewhere in the United States, an online mortgage marketplace,
17 including via the website www.greenlightloans.com.

18 29. Upon information and belief, HBS Finance has infringed and
19 continues to infringe one or more claims of the '694 patent by making, using,
20 providing, offering to sell, and selling (directly or through intermediaries), in this
21 district and elsewhere in the United States, an online mortgage marketplace,
22 including via the website www.hbsfinance.com.

23 30. Upon information and belief, Home-Account has infringed and
24 continues to infringe one or more claims of the '694 patent by making, using,
25 providing, offering to sell, and selling (directly or through intermediaries), in this
26 district and elsewhere in the United States, an online mortgage marketplace,
27 including via the website <https://www.home-account.com/home/>.

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1 31. Upon information and belief, Loan Republic has infringed and
2 continues to infringe one or more claims of the '694 patent by making, using,
3 providing, offering to sell, and selling (directly or through intermediaries), in this
4 district and elsewhere in the United States, an online mortgage marketplace,
5 including via the website www.loanrepublic.com.

6 32. Upon information and belief, OneWest Bank has infringed and
7 continues to infringe one or more claims of the '694 patent by making, using,
8 providing, offering to sell, and selling (directly or through intermediaries), in this
9 district and elsewhere in the United States, an online mortgage marketplace,
10 including via the website <https://www.owb.com/Lending/>.

11 33. Upon information and belief, Online Mortgage has infringed and
12 continues to infringe one or more claims of the '694 patent by making, using,
13 providing, offering to sell, and selling (directly or through intermediaries), in this
14 district and elsewhere in the United States, an online mortgage marketplace,
15 including via the website www.omsrates.com.

16 34. Upon information and belief, Pacific Choice has infringed and
17 continues to infringe one or more claims of the '694 patent by making, using,
18 providing, offering to sell, and selling (directly or through intermediaries), in this
19 district and elsewhere in the United States, an online mortgage marketplace,
20 including via the website www.pacificchoicemtg.com.

21 35. Upon information and belief, ProMortgage has infringed and continues
22 to infringe one or more claims of the '694 patent by making, using, providing,
23 offering to sell, and selling (directly or through intermediaries), in this district and
24 elsewhere in the United States, an online mortgage marketplace, including via the
25 website www.promortgage.com.

26 36. Upon information and belief, Provident Funding has infringed and
27 continues to infringe one or more claims of the '694 patent by making, using,
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1 providing, offering to sell, and selling (directly or through intermediaries), in this
2 district and elsewhere in the United States, an online mortgage marketplace,
3 including via the website <https://www.provident.com/>.

4 37. Upon information and belief, Ready Price has infringed and continues
5 to infringe one or more claims of the '694 patent by making, using, providing,
6 offering to sell, and selling (directly or through intermediaries), in this district and
7 elsewhere in the United States, an online mortgage marketplace, including via the
8 website <http://www.readyprice.com/>.

9 38. Upon information and belief, Rescom Financial has infringed and
10 continues to infringe one or more claims of the '694 patent by making, using,
11 providing, offering to sell, and selling (directly or through intermediaries), in this
12 district and elsewhere in the United States, an online mortgage marketplace,
13 including via the website www.rescomfs.com/index.php.

14 39. Upon information and belief, WestCal has infringed and continues to
15 infringe one or more claims of the '694 patent by making, using, providing,
16 offering to sell, and selling (directly or through intermediaries), in this district and
17 elsewhere in the United States, an online mortgage marketplace, including via the
18 website www.westcalmortgage.com.

19 40. Each Defendant's aforesaid activities have been without authority
20 and/or license from Plaintiff.

21 41. Plaintiff is entitled to recover from the Defendants the damages
22 sustained by Plaintiff as a result of the Defendants' wrongful acts in an amount
23 subject to proof at trial, which, by law, cannot be less than a reasonable royalty,
24 together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

25 42. Defendants' infringement of Plaintiff's exclusive rights under the '694
26 patent will continue to damage Plaintiff, causing irreparable harm for which there is
27 no adequate remedy at law, unless enjoined by this Court.

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JURY DEMAND

43. Plaintiff hereby requests a trial by jury pursuant to Rule 38 of the Federal Rules of Civil Procedure.

PRAYER FOR RELIEF

Plaintiff respectfully requests that the Court find in its favor and against Defendants, and that the Court grant Plaintiff the following relief:

- A. An adjudication that one or more claims of the '694 patent have been infringed, either literally and/or under the doctrine of equivalents, by one or more Defendants;
- B. An award to Plaintiff of damages adequate to compensate Plaintiff for the Defendants' acts of infringement together with pre-judgment and post-judgment interest;
- C. That one or more of the Defendants' acts of infringement be found to be willful from the time that Defendants became aware of the infringing nature of their actions, which is the time of filing of Plaintiff's Original Complaint at the latest, and that the Court award treble damages for the period of such willful infringement pursuant to 35 U.S.C. § 284;
- D. A grant of permanent injunction pursuant to 35 U.S.C. § 283, enjoining the Defendants from further acts of infringement with respect to the claims of the '694 patent;
- E. That this Court declare this to be an exceptional case and award Plaintiff its reasonable attorneys' fees and costs in accordance with 35 U.S.C. §285; and

1 F. Any further relief that this Court deems just and proper.

2 Dated: March 29, 2011

Respectfully submitted,

3
4 **WHITE FIELD, INC.**

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6
7 Steven W. Ritcheson

8 **WARD & OLIVO**

9 John W. Olivo, Jr. (*Pro Hac Vice*
10 *Application To Be Filed*)

11 **Attorneys for Plaintiff Mortgage Grader,**
12 **Inc**